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Bill No. _____



Senate Finance and Claims Committee

In Support of Federal Stimulus Dollars to Fund
Food and Agricultural Development Centers
and **Growth Through Agriculture** Grant and Loan Program

Montana Agriculture Innovation Centers provide a wide range of technical assistance to rural entrepreneurs to help them turn their crops and livestock into value added, marketable products. The centers help producers research, manufacture and market these products, so that Montanans can buy more of our food from Montanans, and spend our food dollars on Main Street in communities across the state.

A handful of the many companies helped by these centers are:

Timeless Seeds in Conrad, who with the help of the Mission Mountain Food Development Center in Ronan, developed a successful line of products sold in more than 300 grocery stores. While the economy has declined, demand at Timeless has doubled and they are adding a production line and jobs to go with it.

Bear Paw Development in Havre helped a group of farmers in Malta form Peaks and Prairies LLC, which manufactures bio based oil and lubricants. One of their products is a canola based chainsaw bar oil sold to the Forest Service and Weyerhaeuser.

35 value added producers process their food at a shared use commercial kitchen at the Fergus County Fairgrounds. Snowy Mountain Development Corporation in Lewistown assisted in the development and design.

WIRED (Workforce Investment in Regional Economic Development) federal funding has most recently funded five of these centers. That program is scheduled to end in January of 2010.

Grow Montana recommends that \$740,000 of stimulus money be invested in six Food and Agriculture Development Centers through 2010 and 2011 as matching funds, to keep the doors open for two years while other funding is secured.

This request is outlined in HB 583 which is in House Appropriations Committee. Some of these centers – specifically the Bio-product Innovation Centers -- have already made a federal funding request in the form of SJ 11, which passed the Senate with only a handful of "no" votes.

This funding would fit your criteria. It fills an immediate need, creates jobs in our rural communities, enables future economic activity, and creates a broader tax base.

Our second recommendation is to match state funding for the Growth Through Agriculture loan and grant program. This program strengthens and diversifies Montana's agricultural industry through the development of new agricultural products and processes. It is highly competitive; half of all proposals are accepted.

Continued funding for Growth Through Ag is in HB 123, which extends the sunset on coal trust economic development programs but cut Growth Through Agriculture funding in half. Growth Through Ag works hand in hand with the development centers. GTA provides a loan or grant and the center provides technical expertise to help farmers, ranchers and agricultural entrepreneurs develop new products and agri-business ideas to enhance Montana's agricultural industry.

Again, this is a shovel ready project. It fills an immediate need, creates jobs in our rural communities, enables future economic activity, and saves taxpayer money by helping farmers and their communities, prosper.

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